1984 ANNUAL REPORT

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT BOARD

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ONTARIO MUNICIPAL EMPLOYEES RETIREMENT BOARD

1984 ANNUAL REPORT

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT BOARD
2 BLOOR STREET WEST (27TH FLOOR) TORONTO ONTARIO M4W 3E2 (416) 926-2400

April 26, 1985

The Honourable Larry Grossman
Treasurer of Ontario and
Minister of Economics
Frost Building South
7 Queen's Park Crescent
Toronto, Ontario
M7A 1Y7

Dear Mr. Grossman:

I am pleased to present to you the Annual Report of the Ontario Municipal Employees Retirement Board for the year ended December 31, 1984 in accordance with subsection 4(8) of the Ontario Municipal Employees Retirement System Act.

At the end of 1984 monthly pensions were paid to 28,151 retired members or their beneficiaries, contributions were received from 130,445 members and 1,052 participating employers. Invested assets at book value totalled $5.282 billion with $1.293 billion invested in special debentures of the Province of Ontario and $3.989 billion invested in capital market securities with a market value of $4.302 billion.

An actuarial valuation of the Fund on January 1, 1984 showed a surplus position of $109 million with the current member and employer contribution rates sufficient to fund the accumulation of pension benefits in the foreseeable future.

OMERS is managed and administered by the Board on behalf of the many thousands of active and retired employees of local governments in Ontario and the stewardship of this important aspect of their retirement income is a rewarding and challenging experience for each member of the Board.

The accompanying report is respectfully submitted to you.

Yours truly,

S. Dobbin

Samuel P. Dobbin
Chairman of the Board

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ONTARIO MUNICIPAL EMPLOYEES RETIREMENT BOARD

as at December 31, 1984

Mr. G. E. Boyce, Chairman
Superintendent-
Business Administration
Sudbury Board of Education

Mr. S. P. Dobbin, Vice Chairman
Stationary Engineer
Toronto Board of Education

Mr. C. M. Beckstead
Chief Administrative Officer
City of Nepean

Mr. E. W. Matthews
Reeve
Sidney Township

Mr. C. R. Bernardi
Director of Personnel
and Labour Relations
City of Sault Ste. Marie

Mrs. J. A. Newman
Administrative Supervisor
Parks and Property Department
Municipality of Metropolitan Toronto

Mr. R. F. Bevan
Superintendent
Niagara Regional Police Force

Mr. A. J. Roberts
Consumer Relations Representative
St. Catharines Hydro Electric
Commission

Mr. P. R. Burke
Firefighter
City of Windsor

Mr. M. Scott
Mayor
Township of Lake of Bays

Mr. D. S. McColl
Assistant Deputy Minister
Ministry of Treasury
and Economics

Mr. McColl was appointed to the Board in February, 1984 replacing Mr. G. M. McIntyre.

INVESTMENT POLICY COMMITTEE OF THE BOARD
as at December 31, 1984

Mr. R. M. MacIntosh, Chairman
Canadian Bankers' Association

Mr. J. C. C. Wansbrough, Vice-Chairman
The National Victoria and Grey Trust Company

Mr. H. M. Cunningham
Cockfield, Cooper, Cunningham
Investment Counsel Inc.

Mr. N. J. Short
Guardian Capital Group Limited

Mr. C. R. Bernardi
Member of the Board

Mr. G. E. Boyce
Chairman of the Board

Mr. A. J. Roberts
Member of the Board

Mr. A. W. Reeve
Executive Director

Mr. P. L. Baxter
Acting Director of Investments

ADVISORS TO THE BOARD

Mr. R. A. Field, F.C.I.A.
The Wyatt Company
Actuary

Dr. R. G. MacKenzie, M.D.
Medical Advisor
(deceased March 24, 1985)

Mr. Purdy Crawford, Q.C.
Osler, Hoskin & Harcourt
Legal Advisor

Coopers & Lybrand
Auditors

SENIOR STAFF

Mr. A. W. Reeve
Executive Director

Mr. P. L. Baxter
Acting Director of Investments

Mr. G. A. Tyson
Director of Pension
Administration

Mr. C. Massouras
Director of Finance
and Administration

COMPOSITION OF THE BOARD

Employee Representatives:
Messrs. Bevan, Burke, Dobbin, and Roberts and Mrs. Newman

"Officer" Employee Representatives:
Messrs. Beckstead, Bernardi, and Boyce

Elected Representatives:
Messrs. Matthews and Scott

Provincial Official:
Mr. McColl

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT BOARD

1984 Annual Report

INTRODUCTION

1984 marks the twenty-second year of operation for the Ontario Municipal Employees Retirement System (OMERS) and the seventeenth year that the responsibility for the management and administration of OMERS has been vested in a board appointed by the Lieutenant Governor in Council.

In addition to responsibilities for the basic OMERS benefits and supplementary benefits, the Board, under agreement and for a fee, manages the pension plans of Ryerson Polytechnical Institute, the Colleges of Applied Arts and Technology, the Caucus Employees of the Legislature and a special guarantee fund related to electrical utility restructuring.

This report covers the main activities of 1984 and, through schedules, provides historical data. Also included are the audited financial statements and details of the actuarial valuation of the Fund.

MAJOR ACTIVITIES — 1984

The OMERS Act was not changed in 1984; however, there were six amendments to the regulations made under the Act, as follows:

- a 4% increase to pensions under payment as at July 1, 1984 for persons receiving a pension on December 1, 1982 and higher pro-rata increases for pensions which commenced during 1983
- a 4% increase to deferred pensions as at December 31, 1984 if the member became entitled to the deferred pension on or before December 31, 1983
- a spouse or former spouse may renounce rights to a spousal benefit
- where a spousal pension ceased by reason of remarriage prior to September 29, 1981, the pension may recommence as at July 1, 1984
- certain fixed amounts of pension of members resulting from member contributions not required from supplementary benefits as at December 31, 1977 can now be increased each year similar to deferred pensions
- a separate trust was established for employers designated under the regulation for purposes of withholding taxes on income received from non-Canadian investments.

Again, during the latter part of 1984, the Board considered possible benefit improvements and requested a meeting with the Treasurer of Ontario and Provincial officials to discuss the feasibility and costs of implementing the changes. Unfortunately, this meeting did not take place during 1984 but the Board is optomistic that certain benefit improvements can be introduced in 1985.

Pension reform in Canada appears to be winding down and specific proposals are expected from the Province of Ontario during 1985. Because of the publicity surrounding potential changes to pension plans, the Board had the Actuary estimate the cost impact of changes that appear to have the greatest possibility of introduction. While the Actuary indicates reform proposals will add costs to OMERS, it appears that the present member and employer contribution rates should be sufficient and will not require increases.

In May, 1984 the Board held its regular monthly meeting in the City of Belleville and the September Board meeting was held in Muskoka. In conjunction with these meetings, the Board met with representatives of members and employers, presented information about OMERS and discussed various aspects of the benefits and operation of OMERS that were of interest to those attending the meetings. In addition, the Board held nine monthly meetings in Toronto.

Only two organizations presented briefs and met with the Board during 1984 — The Ontario Association of School Business Officials and the Ontario Municipal Retirees Organization. Also, the Board issued the "OMERS UPDATE" in January, June and October. The goal of this publication is to keep members and employers aware of the Board's activities during the year.

The remainder of this report is presented basically along organizational lines covering the activities of the pension program, the investment program, the finance and administration program and the Board operation.

PENSION PROGRAM

At the end of 1984 there were 493 municipalities, 133 school boards and 426 other local boards participating in OMERS for a total of 1,052 participating employers, an increase of 6 employers in 1984.

There are 130,445 contributing members to the System. Just over half are employees of municipalities, one quarter are employees of school boards and the remainder are employees of other local boards. Two out of every five members are female and one in seven members is a policeman or fireman with a normal retirement age of 60 years.

OMERS represents a pooling of large and small municipal employers. This pool provides a reasonable level of pension benefits at stable and reasonable contribution rates. This feature of OMERS is emphasized by the fact that one half of the participating employers have fewer than 25 employees who are members of the System. In fact, the average is 9 members each. At the other extreme, 60% of the membership is employed by 61 employers with an average of 1,250 members.

Membership activity in 1984 was as follows:

Contributing Members, January 1, 1984		127,849
Members enrolled		11,436
		139,285
Terminated members electing a:		
refund of contributions	4,584	
deferred pension	381	
transfer within OMERS	430	
transfer to another plan	93	
Disabled members electing a waiver	695	
Death of contributing members	275	
Retirements	2,382	8,840
Contributing members, December 31, 1984		130,445

Pensioners, January 1, 1984		25,613
Additions from:		
active members	2,121	
deferred pensions	181	
disability waivers	174	
spousal pensions:		
death of contributing members	168	
death of pensioners	475	
recommencement to remarried spouses	206	
unsettled claims	113	3,438
		29,051
Deletions from:		
death of pensioners	858	
suspended pensioners	6	
cessation of children's pensions	36	900
Pensioners, December 31, 1984		28,151

$86.9 million was paid to pensioners in 1984, an increase of 25% over the amount paid in the previous year. The following is a summary of the types of pensions being paid by OMERS:

Normal retirement	15,218
Early retirement	4,841
Disability retirement	1,705
Spousal	6,283
Children's	104
	28,151

At the end of 1984, there were 3,786 members who had terminated their service and elected a deferred pension. During the year, 381 members elected a deferred pension on termination of service and 1 member ceased to be disabled and elected a deferred pension. Also, 28 members re-enrolled in the System and 289 commenced to receive a pension.

On December 31, 1984, there were 7,300 members of OMERS with full past service coverage and 1,216 members with partial past service coverage. In addition, 11,718 members with a normal retirement age of 60 years were provided a special early retirement benefit after 30 years of service. These members were covered under fifty-seven continuing supplementary agreements.

The Board has the Actuary undertake an actuarial valuation of the Fund to monitor the financing of OMERS. The latest valuation was prepared with member data as at January 1, 1984. The following table shows the results and comparable data for the valuation undertaken one year earlier.

($ Thousands)	Actuarial Valuation Results As at January 1 1984	1983
Actuarial Liabilities		
Present Value of:		
Pensions under payment	$ 723,429	$ 573,415
Vested deferred benefits	25,404	20,151
Benefits for present contributors and their survivors	3,330,220	2,914,863
	$4,079,053	$3,508,429
Assets:		
Fund assets at January 1	$4,188,068	$3,518,232
ACTUARIAL SURPLUS	$109,015	$9,803

The above results are based on actuarial assumptions that assume salary increases of 8% per year, Fund earnings of 8% per year to the retirement of a member and 7% thereafter and 12½% annual increases to the Year's Maximum Pensionable Earnings under The Canada Pension Plan until 1986 and 6% increases thereafter.

The valuations are based on an actuarial method referred to as the "unit credit cost method" which is the minimum funding requirement under the Pension Benefits Act (Ontario). The present value of liabilities for present contributing members and their survivors of $3,330,220,000 is based on the credited service of each member to January 1, 1984 and on earnings at that date projected to normal retirement.

Based on the above results, OMERS continues to be fully funded. Current member and employer contribution rates appear sufficient to fund the accrual of future benefits of members and the System continues to operate in a sound financial condition.

INVESTMENT PROGRAM

An important aspect of the financial stability of a pension plan is the growth of invested assets through investment income received or appreciation in the value of an asset. OMERS looks to the investment program to provide the growth in value of invested assets to meet the increasing actuarial liabilities resulting from longer periods of service of members in the plan and their earning increases over time.

The Board is responsible for the investment of available funds of the basic OMERS plan, the remaining supplementary benefits and the four managed plans. These investments are pooled and the figures presented in this section apply to the total pool of assets. At the end of 1984 the invested assets of OMERS were as follows:

	Investments As At December 31, 1984			
	Market Value		Book Value	
Marketable Securities	$4.302 Billion	79%	$3.989 Billion	76%
Special Provincial Debentures	1.121 Billion*	21%	1.293 Billion	24%
	$5.423 Billion		$5.282 Billion	

*Estimated by OMERS

A key decision required for the investment of pension funds is the percentage or share of funds to be invested in different classes of investments. The two main asset classes are debt investments and equity investments and there are sub-classes within these main classes. The Board has adopted an overall asset mix policy on the recommendation of the Investment Policy Committee of the Board and the advice of Staff. The objective of the asset mix policy over time is to provide a reasonable expectation of asset value growth to meet the future estimated liabilities with a low risk of falling short. The current asset mix policy, with percentages based on market values, is compared below to the actual positions as at December 31, 1984.

	Asset Mix Policy			
	Policy Range			Actual
Class of Asset	High	Mid	Low	31.12.84
Short Term	33%	2%	0%	3%
Debt Investments				
Bonds	46%	23%	16%	25%
Term Loans	5	3	2	2
Mortgages	43	23	17	22
		49%		49%
Equity Investments				
Equities	60%	44%	30%	42%
Real Estate	10	5	2	6
		49%		48%
		100%		100%

During 1984 funds invested in capital market securities grew from $3.428 billion to $4.302 billion at market value, an increase of 25%. This change is the result of new cash flow from member and employer contribution, investment income and realized and unrealized capital gains. In summary by asset class, the changes in market value in 1984 are as follows:

MARKET VALUE CHANGE IN 1984

($Millions)

Asset Class	Market Value 31/12/83	Cash Flow 1984	Capital Gains (Losses) Realized	Capital Gains (Losses) Unrealized	Market Value 31/12/84
Short Term	$ 115	$ 30			$ 145
Bonds	818	223	$ 2	$ 25	1 068
Term Loans	75	10			85
Mortgages	791	175		(2)	964
Equities	1 406	280	79	(62)	1 703
Real Estate	170	88			258
Venture Capital and Other	53	26			79
Total	$3 428	$832	$81	$(39)	$4 302

The table below shows the annual rate of return for the last five years for the marketable securities and the combined marketable securities and special Provincial debentures. These rates of return are based on the realized and unrealized gains and income re-invested but excluding contribution cash flows.

Annual Rates of Return

Year	Capital Market Securities	Total Fund
1984	9 5%	11 0%
1983	20 4	15 7
1982	25 1	33 1
1981	3 5	(0 6)
1980	12 1	7 7
5 year period 1980-1984	13 9	12 8

During the five year period, the Consumer Price Index increased at an annual rate of 8.1%. The annual real rate of return (rate of return less CPI) for the five year period 1980 to 1984 was 5.8% for the capital market security portion and 4.7% for total investments including the special Ontario debentures. Also, a private pension fund performance measurement service has indicated that the annual rate of return for the average fund for the five year period 1980 to 1984 was 12.8%.

These rates of return are measured from the market value of investments and include unrealized capital gains and should not be confused with the annual rate of return based on the investments at cost and reported on schedule 1. The return on investments, (shown on schedule 1) is used to determine increases to pensions each year.

The economic events and capital market activities underlying the changes in market value of the principle asset categories of the managed fund are discussed below.

Last year marked the second full year of recovery from the 1981-82 recession. The Canadian economy grew at a respectable 4.7% real rate, while inflation moderated to 4.4% (compared to inflation rates of 5.8% in 1983 and 10.8% in 1982). Despite the improved economic environment, though, some serious problems remain unsolved. The most important of these include: government deficits, very high and volatile interest rates and a stubbornly high level of unemployment.

To a great extent, these economic problems are interrelated: high interest rates act as a drag on the economy, which prevents significant reductions in unemployment, which adds to the government deficit, which helps to keep interest rates high, and so on. It appears that, so long as these problems remain, the Canadian economy will achieve mixed results, at best.

This appears to have had a substantial influence on financial markets in 1984. Bond market performance was volatile, in response to swings in interest rates and uncertainty over government policy. At the same time, stock markets were nervous as well, with the Toronto Stock Exchange Index leading the year down 6.4% from its opening value.

The chief feature of 1984 for debt investments was the continuation of more volatile markets with wide swings in prices becoming accepted as normal. Yields on long term Canada bonds moved from 12.25% to 14% and back to 12% within 12 months.

Through this climate we added $224 million to our bond holdings, including some new instruments, and maintained a good income flow for the fund. Capital gains of $2 million were produced.

The short term portfolio continued its function of ensuring the availability of funds for other asset classes and was increased by $30 million during the year.

In 1984, the term lending portfolio increased in size from $75 million to $85 million. This represents an increase of 13% or $10 million in invested funds over the prior year.

Mortgage activity in 1984 was primarily in residential rental properties insured by CMHC under the National Housing Act and commercial properties although the supply was limited as a result of the general slowdown in this segment of the economy.

Economic conditions caused great volatility in the major stock markets of the world and Canadian markets were no exception. OMERS, realizing that you cannot wait for full resolution of major economic problems before investing, continued to add to equity positions throughout 1984.

During the year, a small Canadian growth stock portfolio was formed to enable OMERS to participate in smaller, faster growing companies, and a major investment in Templeton Growth Fund was converted into a segregated fund managed by Templeton Investment Counsel.

Despite the rapidly changing investment environment, the market value of the equity holdings increased 21% from $1,406 million to $1,703 million in 1984 which is 18% more than book cost. Capital gains amounted to $79 million during the year.

The Venture Capital and Other portfolio consists of oil and gas investments, venture capital investments and private equity placements. In 1984, this segment of the portfolio increased from $53 million to $79 million, an increase of $26 million or 48%.

In 1984, the Real Estate portfolio increased in size from $204 million to $291 million in invested and committed money, representing an increase of $87 million or 43% over the total at the end of 1983. The following table shows the breakdown between invested and committed money, and the cost and market value of the Real Estate portfolio.

($ Millions) Real Estate Portfolio

	December 31, 1984		December 31, 1983	
	Cost	Market	Cost	Market
Invested	$237	$258	$149	$170

The largest investment in 1984 was the direct purchase by OMERS of slightly less than a 30% interest in three regional shopping malls in Edmonton, Red Deer and Calgary, Alberta. These malls represent an investment of $70 million and the balance of the money was directed towards a number of smaller properties.

FINANCE AND ADMINISTRATION PROGRAM

The administration of OMERS includes pension administration for the basic plan, the remaining supplementary benefit program and the four plans managed by the Board under agreement, which are separate and distinct from OMERS. The Board receives management fees for the supplementary benefit program and the managed plans and these fees amounted to $505,000 in 1984 as compared to $513,000 in 1983.

Some important financial highlights for 1984 are as follows:

- member contributions to the basic plan including optional service amounts were $193 million, an increase of 7% over 1983
- employer contributions to the basic plan matched those of members
- total investment income received in 1984 amounted to $525 million with $7 million credited to supplementary benefits, $60 million to managed plans and a net of $458 million to the basic OMERS plan
- 57 supplementary agreements are still operative for members with a normal retirement age of 60 years and assets of $67 million are held for this purpose
- benefit payments in 1984 totalled $112 million with $87 million paid as monthly pensions to retired members or their beneficiaries and the balance paid as refunds to members terminating employment or transfers to other pension plans.

In addition to the administration aspects of the various pension programs, the Board is also responsible for the management and administration aspects of the investment program. The Board, with the assistance of advisors, has developed expenditure guidelines to ensure that administrative expenditures are controlled within a framework that allows the various growth elements to be managed prudently and properly.

The guidelines are as follows:

- 1% of member and employer contributions to the basic OMERS plan
- 1/10 of 1% of the year end amortized cost of the capital market security portion of the investment program
- management fees for supplementary benefits and the managed pension plans.

The following table compares total administrative expenditures to the expenditure guideline and the

percentage column indicates the portion actual expenditures are of the guideline:

($ Thousands) Year	Actual Expenditures	Expenditure Guideline	Percentage
1984	$6,117	$8,302	74%
1983	5,289	7,208	73
1982	4,362	6,613	66
1981	3,472	5,431	64
1980	2,856	4,382	65

As would be expected in an administrative organization, 60% of the expenditures are related to compensation and a further 8% to consultants and advisors for such specialties as actuarial, medical, legal, audit and special investment needs. Accommodation and data processing require a further 16% of total expenditures and together with staff compensation and special advisor fees represent almost 15% of the total expenditure.

The Board authorized a complement of 113 positions for 1984, an increase of 6 over the previous year. Much of the day to day administration of OMERS takes place in the offices of the 1,052 participating employers and this is the first line of communication with members of the System. The Board is most appreciative of the dedicated work done by many municipal employees as well as by the staff of the System.

THE BOARD AND ITS ADVISORS

Two new members joined the Board on January 1, 1984: Mrs. Anne Newman, an employee of the Municipality of Metropolitan Toronto and Mr. Merv Beckstead, Chief Administrative Officer of the City of Nepean.

On February 13, 1984, Mr. Don McColl, Assistant Deputy Minister, Ministry of Treasury and Economics, replaced Mr. George McIntyre on the Board.

Mr. Grant Boyce continued as Chairman of the Board for 1984 and Mr. Sam Dobbin continued as Vice Chairman. Also, Messrs. Boyce, Bernardi and Roberts continued as Board member representatives on the Investment Policy Committee.

Mr. R. A. Field of the Wyatt Company continued as the Board's actuary and Mr. Purdy Crawford of Osler, Hoskin and Harcourt served as the Board's legal advisor. Dr. R. G. McKenzie, who has been the Board's only medical advisor, died suddenly on March 24, 1985. As the Board's medical advisor, Dr. McKenzie examined each disability claim as well as maintaining statistical data on the various types of disability and reporting to the Board periodically on this aspect of OMERS. The "Doc", as he was affectionately called, provided a valuable service to the Board and membership of the System and will be missed by all who knew him.

CONCLUSION

The Board is responsible for the sound management and administration of the System, the investment of funds in capital market securities, the study and promotion of improved pension benefits, the continuing financial well being of the Fund and all of the attendent administrative functions associated with the operation of a larger pension plan.

The Board is again pleased to report in 1984 that OMERS is in a sound financial position and should remain so in the foreseeable future, benefit improvements continue to be studied and made and member and employer contribution rates are sufficient to fund the future accumulation of pensions by the members.

The members of the Board operate OMERS on behalf of the thousands of active and retired members and the participating employers with the simple objective of ensuring adequate retirement income at reasonable and stable costs. The 1984 results indicate a continuing progression towards this goal.

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT FUND

Balance Sheet

as at December 31, 1984

	1984 (000's)	1983 (000's)
Assets		
Investments (note 2)	$5,281,842	$4,368,568
Long term receivables (note 4)	108,084	116,900
Leasehold improvements (note 1)	249	301
Contributions receivable	37,542	47,204
Accounts receivable	506	491
Accrued income	63,691	103,660
Cash	7	10
	$5,491,921	$4,637,134
Reserves and Liabilities		
Reserves for:		
basic benefits (note 3)	$4,814,414	$4,070,275
supplementary benefits (note 4)	66,875	64,594
	$4,881,289	$4,134,869
Deposits from administered pension funds (note 5)	597,789	$499,299
Accounts payable and accruals	12,814	2,938
Pension benefits payable	29	28
	$5,491,921	$4,637,134

Signed on behalf of the Board

_____ Member

_____ Member

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT FUND

Statement of the Reserves

for the year ended December 31, 1984

	Basic benefits reserve (000's)		Supplementary benefits reserve (000's)	
	1984	1983	1984	1983
Balance, beginning of year	$4,070,275	$3,191,720	$64,594	$190,304
Increases in Reserves				
Contributions of:				
• Members	$ 192,503	$ 179,814		
• Employers, current service	188,266	182,123	$ 3,172	$ 4,069
• Employers, unfunded liabilities (note 4)	8,748	124,521		
	389,517	486,458	3,172	4,069
Interest income on unfunded liabilities	12,581	9,794		
Income earned from investments	517,642	418,325	7,036	6,715
Administrative expenditures recovered from:				
• Supplementary benefits reserve	32	40		
• Administered pension funds (note 5)	473	473		
Transfer to basic benefits reserve from:				
• Supplementary benefits reserve	7,895	140,815		
Transfer to supplementary benefits reserve from:				
• Prior service benefits reserve			–	4,361
Total Increases	$ 928,140	$1,055,905	$10,208	$ 15,145
Decreases in Reserves				
Members' pensions	$ 86,858	$ 69,315		
Members' contributions plus interest refunded	23,377	26,115		
Transfers to other pension plans	1,548	1,347		
Income credited to administered pension funds (note 5)	60,060	47,192		
Closing supplementary agreements	6,041	28,092		
Transfers to basic benefits reserve for:				
• Administrative expenses			$ 32	$ 40
• Pension present value			1,854	5,198
• Closing supplementary agreements			6,041	135,617
Administrative expenditures	6,117	5,289		
Total Decreases	$ 184,001	$ 177,350	$ 7,927	$140,855
Balance, end of year	$4,814,414	$4,070,275	$66,875	$ 64,594

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT FUND

Schedule of Administrative Expenditures

for the year ended December 31, 1984

	1984 (000's)	1983 (000's)
Personnel Services Including Employee Benefits		
Salaries of regular staff	$3,045	$2,628
Salaries of casual staff	119	84
Pensions	223	193
Employee benefits	232	198
	$3,619	$3,103
Transportation and Communication		
Travel	$ 153	$ 123
Telephone	144	141
Postage and express	96	116
	$ 393	$ 380
Purchase of Services		
Actuarial	$ 152	$ 105
Audit	61	60
Medical	15	18
Legal	121	233
Other professional	170	45
Recruitment and training	39	10
Office rental	727	502
Computer processing	234	207
Equipment maintenance	22	13
Insurance	4	3
Board's services	133	110
Research and information	70	67
	$1,748	$1,373
Materials and Supplies		
Furniture and equipment purchases	$ 60	$ 83
Supplies and stationery	140	165
Publications for members and employers	77	110
Office alterations	5	–
Amortization of Leasehold Improvements	75	75
	$ 357	$ 433
Total Expenditures	$6,117	$5,289
Distribution		
• Pensions	$3,461	$2,959
• Investments	2,656	2,330
	$6,117	$5,289

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT FUND

Notes to the Financial Statements

for the year ended December 31, 1984

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments

Investments are recorded in the accounts at cost. Gains or losses on their disposal are credited or charged to income. Income from investments is recorded on the accrual basis.

Contributions

Member and employer contributions received subsequent to the year-end, but which are applicable to the current year, are recorded as receivables.

Benefits

Payments for benefits are recorded in the year in which such payments are made.

Fixed Assets

Leasehold improvements are recorded at cost less accumulated amortization. The basis of amortization is straight-line over a 5 year period.

2. INVESTMENTS

The following is a description of the investments:

(a) Province of Ontario debentures issued under section 8(2) & (4) of the Ontario Municipal Employees Retirement System Act.

Date of Maturity	Weighted Average Interest Rate	Cost (000's)
December 31, 1993	8.06%	$ 129,500
December 31, 1994	9.50%	148,825
December 31, 1995	9.70%	182,250
December 31, 1996	6.00%	20,100
December 31, 1997	6.30%	24,900
December 31, 1998	7.21%	33,100
December 31, 1999	8.19%	46,700
December 31, 2000	9.10%	57,600
December 31, 2001	7.85%	75,000
December 31, 2002	9.50%	265,800
December 31, 2003	9.45%	187,950
December 31, 2006	9.77%	121,300
		$1,293,025

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT FUND

Notes to the Financial Statements

for the year ended December 31, 1984

2. INVESTMENTS (continued)

The weighted average interest rate on the total investment in Ontario debentures is 9.07%.

Market value for the Ontario debentures has not been determined as these debentures have no quoted market value. The values stated remain unchanged from those reported at December 31, 1983.

(b) Investments commencing September 30, 1975 under section 8(6) of The Ontario Municipal Employees Retirement System Act which are subject to the limitations of the regulations of The Pension Benefits Act:

	1984 (000's)		1983 (000's)	
	Market Value	Cost	Market Value	Cost
Short Term Deposits	$ 144,566	$ 144,566	$ 115,063	$ 115,063
Bonds & Debentures	1,152,914	1,147,217	893,454	911,644
Mortgages	964,104	942,925	790,663	767,418
Equities	1,702,944	1,438,150	1,406,256	1,078,744
Real Estate	258,190	236,612	169,651	149,227
Venture Capital & Other	79,347	79,347	53,447	53,447
	$4,302,065	$3,988,817	$3,428,534	$3,075,543

Market value is quoted value for bonds, debentures and equities.
Market value for mortgages is computed based on market yields.
Market value for real estate is appraised value as provided by our property managers.
Market value for venture capital and other has been assumed to equal the cost due to the special nature of the investment.

	1984 (000's)	1983 (000's)
(c) Total investments at cost	$5,281,842	$4,368,568

3. BASIC BENEFITS RESERVE

The basic benefits reserve is maintained for the payment of pensions to retired members or their beneficiaries and the future payment of pensions and benefits to contributing members and to terminated members who have elected a deferred pension.

The latest actuarial valuation of the Fund dated January 1, 1984 determined the total actuarial liabilities of the Fund for basic benefits to be $4,079,053,000 using the unit credit cost method. The adjusted book value of accumulated assets at that date was $4,188,068,000 resulting in an actuarial surplus of $109,015,000.

The results of the actuarial valuation projected to December 31, 1984, indicate that the existing levels of member and employer contributions are sufficient to meet the cost of benefits earned from January 1, 1984 to December 31, 1984.

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT FUND

Notes to the Financial Statements

for the year ended December 31, 1984

4. SUPPLEMENTARY BENEFITS RESERVES

Under the terms of The Ontario Municipal Employees Retirement System Act various participating employers have entered into agreements with the Board for the provision of supplementary benefits. The supplementary reserves represent the net assets available for payment of benefits under the agreements. Each employer is responsible, individually, for the funding of such benefits.

Effective January 1, 1983 all assets and liabilities with respect to prior service agreements were transferred to the supplementary reserve. On the same date, the assets and liabilities of most supplementary agreements were then transferred to the basic OMERS plan.

Where the assets transferred from the previous agreements were not sufficient to provide for the liabilities, the unfunded amounts were identified and are being paid off by the participating employers. Such unfunded liabilities are now recorded in the basic benefits reserve and are offset by a long-term receivable from the participating employers, to be paid, with interest, over a period not to exceed 15 years. For any previous agreements where the assets were in excess of liabilities, the resulting surplus was refunded to the participating employers.

Supplementary agreements entered into by employers with the Board subsequent to January 1, 1983 are subject to a final determination of the actuarial liability for benefits under each agreement. The liabilities determined under each new supplementary agreement are recorded in the basic benefits reserve and are offset by a long-term receivable from the participating employers with repayment terms similar to those stated above.

5. ADMINISTERED PENSION FUNDS

The administered pension funds (which form part of the Fund and which are administered on behalf of the Ontario Council of Regents for Colleges of Applied Arts and Technology, the Ryerson Polytechnical Institute, the members of the Legislative Assembly as represented by the Board of Internal Economy [The Caucus Employees Retirement Fund] and the Minister of Energy for the Province of Ontario [The Ontario Hydro Guarantee Fund]) are credited with amounts which are equal to the income earned by the Fund from the investment of the monies deposited in the Fund by the administered pension funds. The Ontario Municipal Employees Retirement Board is authorized under the terms of the various management agreements to recover its expenses for administering the aforementioned plans.

6. COMMITMENTS

Total investment commitments outstanding at December 31, 1984 amounted to approximately $326 million of which $190 million relates to mortgages, $55 million to real estate, $14 million to term lending, $16 million to bonds, and the remaining $51 million to venture capital and other.

The administration of the Fund is conducted on leased premises and the Fund has entered into a lease agreement which involves a minimum annual base rental of $518,190 to August 31, 1988.

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March 29, 1985

AUDITORS' REPORT TO THE
ONTARIO MUNICIPAL EMPLOYEES RETIREMENT BOARD

We have examined the balance sheet of the Ontario Municipal Employees Retirement Fund as at December 31, 1984, and the statement of the reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1984 and the results of its operations for the year ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

CHARTERED ACCOUNTANTS

THE Wyatt COMPANY

PENSION PLANS
EMPLOYEE BENEFITS
ADMINISTRATIVE SYSTEMS
INTERNATIONAL BENEFITS
RISK MANAGEMENT
COMPENSATION PROGRAMS
EMPLOYEE COMMUNICATIONS

ACTUARIES & CONSULTANTS

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HALIFAX MONTREAL
OTTAWA TORONTO
CALGARY VANCOUVER
AND
PRINCIPAL CITIES
AROUND THE WORLD

Actuarial Certificate at December 31, 1984

Ontario Municipal Employees Retirement Board

The most recent actuarial valuation of the above Plan was conducted at January 1, 1984 using the unit credit cost method.

The results of the valuation disclosed total actuarial liabilities of $4,079.053 million in respect of benefits accrued for service to January 1, 1984. The adjusted book value of accumulated assets at that date was $4,188.068 million indicating an actuarial surplus of $109.015 million.

The results of the valuation at January 1, 1984 also indicated that the existing levels of employee and employer contributions are sufficient to meet the cost of benefits to be earned each calendar year until the next actuarial valuation is made.

We are of the opinion, therefore, that the assets of the Fund at December 31, 1984 are sufficient to meet all the liabilities of the Plan in respect of services rendered by members up to that date.

Respectfully submitted

THE WYATT COMPANY

R Alvin Field

March 12, 1985

R. Alvin Field, F.S.A.
Fellow, Canadian Institute of Actuaries

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
5 Year Review of Financial Data — 1980 to 1984

($ Thousands)	1984	1983	1982	1981	1980
*Investments at Cost					
Provincial Debentures	$1,293,025	$1,293,025	$1,293,025	$1,293,025	$1,293,025
Marketable Securities	3,988,817	3,075,543	2,440,504	1,776,764	1,215,409
	$5,281,842	$4,368,568	$3,733,529	$3,069,789	$2,508,434
*Reserve for					
Basic Benefits	$4,814,414	$4,070,275	$3,191,720	$2,604,125	$2,118,691
Prior Service Agreements	—	—	4,361	4,714	4,929
Supplementary Benefit Agreements	66,875	64,594	190,304	176,539	153,088
Managed Plans	597,789	499,299	413,160	340,059	276,819
	$5,479,078	$4,634,168	$3,799,545	$3,125,437	$2,553,527
Investment Income Earned					
Basic Plan	$457,582	$371,133	$298,605	$238,447	$177,907
Prior Service Agreements	—	—	225	235	246
Supplementary Benefit Agreements	7,036	6,715	17,704	14,318	12,703
Managed Plans	60,060	47,192	39,341	31,479	23,930
	$524,678	$425,040	$355,875	$284,479	$214,786
Contributions Received for					
Basic Plan	$376,905	$361,937	$336,368	$289,121	$253,571
Basic Plan Unfunded Liabilities	21,329	134,315	—	—	—
Prior Service Agreements	—	—	32	32	32
Supplementary Benefit Agreements	7,036	4,069	41,504	37,507	29,768
	$405,270	$500,321	$377,904	$326,660	$283,371
Payments to Members					
Pensions Paid	$ 86,858	$ 69,315	$ 55,304	$ 45,128	$ 35,480
Contributions and Interest Refunded	23,377	26,115	16,064	21,676	17,822
Transfers to Other Plans	1,548	1,347	1,619	1,106	1,050
	$111,783	$ 96,777	$ 72,987	$ 67,910	$ 54,352
Administrative Expenditures and Recoveries					
Pension Program					
Gross	$ 3,461	$ 2,959	$ 2,721	$ 2,399	$ 2,133
Fee Recoveries	505	513	832	765	640
Net	$ 2,956	2,446	$ 1,889	$ 1,634	$ 1,493
Investment Program	2,656	2,330	1,641	1,073	723
	$ 5,612	$ 4,776	$ 3,530	$ 2,707	$ 2,216
Annual Return on Investments at Cost					
Provincial Debentures	9.07%	9.07%	9.07%	9.07%	9.07%
Marketable Securities	12.40%	11.66%	12.13%	12.09%	10.71%
Total Portfolio	11.45%	10.80%	10.91%	10.63%	9.74%

Unaudited figures

*the amount shown for each year as at December 31 is cumulative

Schedule 2

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
5 Year Review of Selected Data — 1980 to 1984

	1984	1983	1982	1981	1980
*Employers					
Municipalities	493	490	491	489	487
School Boards	133	133	129	126	122
Other Local Boards	426	423	422	422	418
	1,052	1,046	1,042	1,037	1,027
*Members Contributing, Employed by					
Municipalities	67,024	65,588	64,510	63,280	61,875
School Boards	33,253	32,536	32,027	30,828	30,033
Other Local Boards	30,168	29,725	29,584	28,929	27,823
	130,445	127,849	126,121	123,037	119,731
*Members Contributing					
Female	50,005	48,287	46,924	44,827	42,743
Male	80,440	79,562	79,197	78,210	76,988
	130,445	127,849	126,121	123,037	119,731
*Normal Retirement Age 65	112,704	110,343	108,855	106,314	103,420
*Normal Retirement Age 60	17,741	17,506	17,266	16,723	16,311
	130,445	127,849	126,121	123,037	119,731
*Terminated Members Who Have Elected a Deferred Pension	3,786	3,721	3,710	3,326	3,551
*Number of Pensioners by Type of Pension					
Normal Retirement	15,218	14,386	13,442	12,540	11,558
Early Retirement	4,841	4,034	3,341	2,886	2,451
Disability Retirement	1,705	1,603	1,473	1,379	1,232
Spouses and Children	6,387	5,590	5,031	4,505	4,029
	28,151	25,613	23,287	21,310	19,270
*Total Membership Comprising Contributing Members, Deferred Pensions and Pensioners	162,382	157,183	153,118	147,673	142,552
Number of Members Enrolled Each Year	11,436	9,901	11,764	14,475	13,914
Number of Members Terminated Each Year	8,840	8,173	8,680	11,169	11,669
Net Increase in Membership	2,596	1,728	3,084	3,306	2,245

Unaudited figures

*Cumulative totals at year end

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT SYSTEM

Summary of Historical Highlights

1962 – An Act establishing the Ontario Municipal Employees Retirement System was given Royal Assent on April 18th.

1963 – The first members of the System were enrolled on January 1st and the first contributions received one month later.

1965 – Amendments were made for the "locking-in" of contributions as required under the Pension Benefits Act.

After July 1, 1965 all persons engaged by a municipality or local board must participate in OMERS to receive pension benefits.

Provision was made for OMERS to manage and administer other pension plans.

1966 – The contributions and benefits were integrated with the contributions and benefits of the Canada Pension Plan.

Employees of electric utilities became members of OMERS for the first time.

1967 – The supplementary benefit program was introduced.

1968 – The eleven member Board was appointed by the Lieutenant Governor in Council on January 1.

The interest rate on the special Provincial debentures issued to OMERS at each year end was increased from 5% to 6½%.

The benefit formula was increased 10% from 2% of career earnings to 2.2% of career earnings.

1969 – A disabled widower was extended the same benefits as a widow on the death of a member.

1970 – The interest rate on the special Provincial debentures issued to the Board at each year end was changed from 6½% to the average borrowing costs of the Province during a year.

All basic pension benefits earned or payable on December 31, 1970 were increased by 10%.

1971 – All basic pension benefits earned or payable at December 31, 1971 were increased by 5%.

In addition to the 50% widows' and disabled widowers' pensions payable on the death of a member, a further pension of 10% for each child of the deceased member to a maximum of 25% was introduced.

1972 – Councillors became eligible for membership in the System.

All basic pension benefits earned or payable on December 31, 1972 were increased by 5%.

1973 – An employer could improve the pensions being paid to retired employees through the System.

Rates of interest on special Provincial debentures issued to the Board during the years 1963 to 1969 were retroactively adjusted.

All basic pension benefits earned or payable at December 31, 1973 were increased by 5%.

1974 – A portion of available funds could be invested in marketable securities under the provisions of the Pension Benefits Act commencing in 1975.

1975 – All basic pension benefits earned by active and deferred members as at December 31, 1975 were increased by 10%.

All pensions being paid to retired members on December 31, 1975 were increased by 10%.

A widower of a member became entitled to the same 50% pension as a widow on the death of a member.

Board authorized to invest a portion of funds in capital market securities.

1976 – Optional service, being service with another governmental employer or war service, was added to the supplementary benefit program.

1978 – Pension formula changed from 2.2% career average earnings basis to a 2% final average earnings basis.

All pensions being paid to retired members on December 31, 1977 were increased by 3% from March 1, 1978.

1979 – All available funds invested in capital market securities.

1980 – All pensions being paid to retired members on January 1, 1979 were increased by 4% from January 1, 1981.

1981 – Spousal benefits no longer cease on remarriage and the reduction in the spouse pension when the spouse is more than 10 years younger than spouse was eliminated.

1982 All pensions being paid to retired members on December 1, 1981 were increased 4% from July 1, 1982.

1983 All pensions being paid to retired members on December 1, 1982 were increased 4% from July 1, 1983. All vested deferred pensions were similarly increased plus a retroactive adjustment for increases granted to pensions in 1982, 1981, 1980 and 1978.

"90 Factor" unreduced early retirement pensions were introduced.

1984 – All pensions being paid to retired members on December 1, 1983 were increased 4% from July 1, 1984. All vested deferred pensions and all fixed amounts of pensions were similarly increased.

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT SYSTEM

Summary of Benefits

as at December 31, 1984

Basic Benefits

Normal retirement at age 65 – except policemen and firemen who may retire at age 60.

The annual ***normal retirement pension*** payable to a member is 2% of pensionable earnings multiplied by years of credited service, reduced when the member becomes entitled to a pension under the Canada Pension Plan. In this formula:

"pensionable earnings" means the annual average of the 60 highest consecutive months of earnings;

"credited service" means service when contributions have been made, transferred in service and past service under a full Type 1 supplementary benefit;

"CPP reduction" means 0.7% of the annual average of the Year's Maximum Pensionable Earnings under the CPP in the year of retirement and the two preceding years times credited service since January 1, 1966.

A ***total disability retirement benefit*** for a disability that, in the first two years, renders a member incapable of performing the duties of his or her position and thereafter of any substantially gainful employment. The totally disabled member may continue to accrue credited service without contribution until normal retirement age or may elect a disability pension.

A ***pension for life to a widow or widower*** of one-half the member's pension plus 10% for each child under 21 years of age to a maximum of 25% and, where there is no widow or widower, a pension of one-half the member's pension to the child or children of the member under 21 years of age.

A ***deferred pension***, payable at normal retirement age, if a member ceases to be employed before his normal retirement date. The pension benefits earned by a member under the System vest immediately in the member.

An ***early retirement pension***, commencing within the 10 year period before normal retirement age payable without reduction if the age and service of the member totals 90 or more or reduced 5% per year.

A ***refund*** of the contributions of a member plus interest if the member terminates his employment, except if at termination the member has 10 years of continuous service with the employer and is over 45 years of age, then his contributions made after January 1, 1965 may not be refunded.

Portability of the credited service if a member transfers employment from one participating employer to another or to other governmental pension plans under special reciprocal transfer agreements.

Supplementary Benefits (provided by an agreement between a participating employer and OMERS)

Full Type 1 – Final Average Earnings, Past Service Pension

The full Type 1 provides for the service of a member before the member's employer participated in OMERS (past service) to become credited service in the basic plan and be fully portable within the System. Any pension earned under a previous pension plan for the same period of past service is deducted from the pension from OMERS.

Partial Type 1 – Final Average Earnings, Past Service Pension

The partial Type 1 provides a portion of a benefit based on 2% of final average earnings and service before the member's employer participated in OMERS (past service). Any pension earned under a previous pension plan for the same period of past service is deducted from the pension from OMERS.

Type 2 – Current Average Earnings, Past Service Pension

As of January 1, 1983 this type of supplementary benefit is no longer available although all existing agreements at the end of 1982 will continue to operate and member pension amounts are protected.

Type 3 – Unreduced Early Retirement Pension for Members with a Normal Retirement Age of 60 Years

The Type 3 benefit provides for payment of an unreduced pension if a member retires within 10 years of normal retirement date under the following conditions:

(a) completion of 30 or more years of service with the employer, or
(b) due to permanent partial disability as determined by the employer.

Type 3 – Unreduced Early Retirement Pension for Members with a Normal Retirement Age of 65 Years

The Type 3 benefit provides for payment of an unreduced pension only if a member retires within 10 years of normal retirement date due to permanent partial disability as determined by the employer.

Optional Service – The service of a member with another governmental employer or war service may be added to a Type 1 or Type 2 benefit and the member must contribute on a formula basis to be entitled to this service. This service becomes additional past service of the member.

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT FUND
Summary of Marketable Securities
as at December 31, 1984

($ Thousands)	Amortized Book Value	Percentage of Portfolio	Yield on Book Value	Estimated Market Value*
Short Term	$ 144,566	3.6%	10.32%	$ 144,566
Bonds				
Government – Canada	$ 414,641	10.4%	12.18%	$ 420,847
– Provincial	310,432	7.8	12.08	309,142
– Municipal	23,366	0.5	10.66	20,636
Corporate	307,884	7.7	12.87	311,066
World Bank	6,149	0.2	10.59	6,478
Term Loans	84,745	2.1	14.12	84,745
Total Bonds	$1,147,217	28.7%	12.44%	$1,152,914
Mortgages				
Residential				
– Single Family	$ 12,571	0.3%	12.65%	$ 12,651
– Rental	744,106	18.7	13.17	752,884
– Condominium	903	0.1	13.73	919
Commercial				
– Rentals	2,104	0.1	13.69	2,191
– Office Buildings	93,983	2.3	12.64	100,596
– Shopping Centres	59,371	1.5	12.51	64,490
– Hotel	17,263	0.4	13.51	17,471
– Retail	3,979	0.1	12.24	3,957
– Industrial Buildings	8,646	0.2	13.58	8,945
Total Mortgages	$942,926	23.7%	13.07%	$964,104
Equities				
Canada				
Individual Stocks				
– Metals and Minerals	$ 87,779	2.2%	3.06%	$ 94,795
– Oil and Gas	213,519	5.3	2.21	207,942
– Paper and Forest Products	61,496	1.5	1.05	72,390
– Consumer Products	50,064	1.2	6.87	99,608
– Industrial Products	120,629	3.0	4.60	141,028
– Real Estate and Construction	22,972	0.6	2.00	27,052
– Transportation	971	0.1	3.82	1,325
– Pipelines	41,851	1.1	4.97	37,160
– Utilities	34,619	0.9	9.16	46,479
– Communications and Media	18,489	0.5	3.08	32,410
– Merchandising	42,240	1.0	3.78	37,625
– Financial Services	176,119	4.4		213,445
– Management Companies	59,810	1.5	3.90	75,963
Convertible Debentures	21,986	0.6	8.85	23,885
Mutual Funds	20,066	0.5	2.08	28,664
Total Canadian Equities	$972,610	24.4%	4.19%	$1,139,771

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT FUND
Summary of Marketable Securities
as at December 31, 1984

($ Thousands)	Amortized Book Value	Percentage of Portfolio	Yield on Book Value	Estimated Market Value*
Equities (continued)				
Non-Canada (Canadian $)				
United States				
– Individual Stocks				
– Machines	$ 12,514	0.3%	4.43%	$ 13,716
– Electrical	6,147	0.2	4.16	7,115
– Metals & Minerals	14,134	0.4	4.44	15,677
– Pollution Control	6,074	0.2	1.80	6,436
– Chemicals	6,238	0.2	4.20	4,818
– Diversified – Building	3,534	0.1	10.14	10,869
– Misc. & Diversified	17,782	0.4	4.16	17,722
– Office Equipment	22,781	0.5	2.87	25,753
– Oil – International	18,885	0.5	7.52	18,861
– Oil – Domestic	9,071	0.2	6.55	13,390
– Oil Well Equipment	13,147	0.3	3.11	10,267
– Drugs	21,771	0.5	5.54	30,490
– Hospital Management	6,085	0.2	2.81	6,057
– Electrical Appliances	5,408	0.1	3.18	6,989
– Cosmetics	10,290	0.3	7.34	15,415
– Autos	3,206	0.1	6.73	3,488
– Food	10,570	0.3	8.62	20,626
– Photography	11,832	0.3	5.76	15,774
– Retailing	2,134	0.1	8.41	8,063
– Banks	10,646	0.3	6.30	12,331
– Utilities	13,534	0.3	10.68	17,537
Mutual Funds	110,283	2.7	3.10	145,384
Global				
– Managed Funds	129,474	3.2	–	136,395
Total Non-Canadian Equities	$ 465,540	11.7%	3.55%	$ 563,173
Total Equities	$1,438,150	36.1%	3.89%	$1,702,944
Real Estate	236,611	5.9	8.83	258,190
Venture Capital & Other	79,347	2.0	1.0	79,347
Total Market Fund Investments	$3,988,817	100.0%	8.96%	$4,302,065

***Estimated Market Values**

Bonds:	Quoted values	Real Estate:	Appraised values
Mortgages:	Computed on current market yields	Venture Capital & Other:	Cost
Equities:	Quoted values		